

**HB626 ENROLLED**



1 HB626  
2 G35JLCC-3  
3 By Representative Whitt  
4 RFD: Economic Development and Tourism  
5 First Read: 17-Mar-26



## HB626 Enrolled

1 Enrolled, An Act,

2

3 Relating to economic development; to amend Section

4 11-99-2, Section 11-99-4, as last amended by Act 2026-104 of

5 the 2026 Regular Session, and Sections 11-99-5, and 11-99-6,

6 Code of Alabama 1975, to allow a Major 21st Century

7 Manufacturing Zone to be located within a tax increment

8 district without regard to the size of the tax increment

9 district; to allow ad valorem tax revenues collected within

10 the tax increment district to be used to reimburse costs

11 incurred by a public entity to acquire land within the Major

12 21st Century Manufacturing Zone prior to the creation of the

13 tax increment district; and to make nonsubstantive, technical

14 revisions to update existing code language to current style.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Section 11-99-2, Section 11-99-4, as last

17 amended by Act 2026-104 of the 2026 Regular Session, and

18 Sections 11-99-5, and 11-99-6, Code of Alabama 1975, are

19 hereby amended to read as follows:

20 "§11-99-2

21 As used in this chapter, the following terms have the

22 following meanings:

23 (1) BLIGHTED OR ECONOMICALLY DISTRESSED AREA. Any of

24 the following:

25 a. Any area in which the structures, buildings, or

26 improvements, by reason of dilapidation, deterioration, age,

27 or obsolescence; inadequate provision for ventilation, light,

28 air, sanitation, or open spaces; high density of population



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29 and overcrowding; or the existence of conditions that endanger  
30 life or property by fire and other causes; or any combination  
31 of such factors, are conducive to ill health, transmission of  
32 disease, infant mortality, juvenile delinquency, or crime and  
33 are detrimental to the public health, safety, morals, or  
34 welfare.

35           b. Any area that by reason of the presence of a  
36 substantial number of substandard, slum, deteriorated, or  
37 deteriorating structures; predominance of defective or  
38 inadequate street layout; faulty lot layout in relation to  
39 size, adequacy, accessibility, or usefulness; unsanitary or  
40 unsafe conditions; deterioration of site or other  
41 improvements; diversity of ownership; tax or special  
42 assessment delinquencies exceeding the fair value of the land;  
43 defective or unusual conditions of title; or the existence of  
44 conditions that endanger life or property by fire and other  
45 causes; or any combination of the foregoing, substantially  
46 impairs or arrests the sound economic growth of an area,  
47 hinders the provision of housing accommodations, or  
48 constitutes an economic or social liability and is a detriment  
49 to the public health, safety, morals, or welfare in its  
50 present condition and use.

51           c. Any area that is predominantly open and which  
52 because of obsolete platting, diversity of ownership,  
53 deterioration of structures or of site improvements, or  
54 otherwise, substantially impairs or arrests the sound economic  
55 growth of an area.

56           d. Any area that the local governing body: (i)



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57 Determines is in need of redevelopment, rehabilitation, or  
58 revitalization to provide for the economic growth and  
59 development of the area; or (ii) certifies is in need of  
60 redevelopment or rehabilitation as a result of flood, fire,  
61 hurricane, tornado, earthquake, storm, or other catastrophe  
62 which the Governor of the state has certified the need for  
63 disaster assistance under federal law.

64 e. Any area containing excessive vacant land on which  
65 structures were previously located; on which are located  
66 abandoned or vacant buildings or old buildings; where  
67 excessive vacancies exist in existing buildings; which  
68 contains substandard structures; or with respect to which  
69 there exist delinquencies in payment of real property taxes.

70 (2) DEFERRED TAX RECIPIENT. Each taxing authority that  
71 receives ad valorem taxes with respect to property located in  
72 a proposed tax increment district.

73 (3) ENHANCED USE LEASE AREA. Any area of a military  
74 installation which contains underutilized real or personal  
75 property, or both, that is leased by a secretary of a military  
76 department to a lessee pursuant to the authority provided in  
77 Title 10 U.S.C. § 2667.

78 (4) LOCAL FINANCE OFFICER. The legally authorized  
79 officer or agent responsible for receipt and disbursement of  
80 the revenues of a taxing authority.

81 (5) LOCAL GOVERNING BODY. The governing body of a  
82 county or municipality which proposes to create or has created  
83 a tax increment district.

84 (6) MAJOR 21ST CENTURY MANUFACTURING ZONE. Any area



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85 aggregating not less than 250 contiguous acres of real  
86 property determined by a local governing body to meet all of  
87 the following criteria:

88 a. Is located, in whole or part, within its boundaries  
89 or corporate limits.

90 b. Is suitable for the site of an automotive,  
91 automotive-industry related, aviation, aviation-industry  
92 related, ship building-industry related, medical,  
93 pharmaceutical, semiconductor, computer, electronics, energy  
94 conservation, cyber technology, or biomedical industry  
95 manufacturing facility or facilities.

96 c. Is an area within which not less than one hundred  
97 million dollars (\$100,000,000) of capital expenditure in  
98 connection with the establishment, expansion, construction,  
99 equipping, development, rehabilitation, or redevelopment of  
100 the facility or facilities is anticipated to be made based  
101 upon representations and information provided by the  
102 anticipated user or users of the facility or facilities and  
103 other information as the local governing body shall have  
104 available to it and deems appropriate.

105 (7) MUNICIPALITY. Any incorporated municipality in this  
106 state.

107 (8) PROJECT. Undertakings and activities of a public  
108 entity in a tax increment district for any one or more of the  
109 following:

110 a. As determined by the local governing body, the  
111 elimination and prevention of the development or spread of  
112 blight in, or the redevelopment or revitalization of, a



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113 blighted or economically distressed area, including, but not  
114 limited to, property acquisition, property clearance,  
115 development, preservation, redevelopment, rehabilitation,  
116 renovation, or conservation, or a combination or part thereof,  
117 in accordance with a project plan.

118           b. The utilization of underutilized real or personal  
119 property, or both, in an enhanced use lease area, including,  
120 but not limited to, property acquisition, property clearance,  
121 development, redevelopment, rehabilitation, or conservation,  
122 or a combination or part thereof, in accordance with a project  
123 plan.

124           c. The utilization of underutilized real property in an  
125 area determined by a local governing body to be a Major 21st  
126 Century Manufacturing Zone, including, but not limited to,  
127 property acquisition; property clearance; development,  
128 including, without limitation, public infrastructure  
129 improvements and any other improvements for the construction  
130 and equipping of automotive, automotive-industry related,  
131 aviation, aviation-industry related, ship building-industry  
132 related, medical, pharmaceutical, semiconductor, computer,  
133 electronics, energy conservation, cyber technology, or  
134 biomedical industry manufacturing facilities; or the  
135 redevelopment, rehabilitation, or conservation, or a  
136 combination or part thereof, in accordance with a project  
137 plan.

138           (9) PROJECT COSTS. Any expenditures made or estimated  
139 to be made or monetary obligations incurred or estimated to be  
140 incurred by a public entity, which in the case of expenditures



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141 for or within a Major 21st Century Manufacturing Zone may be  
142 incurred directly by the public entity or by a private entity  
143 with funds granted by, or otherwise made available from, a  
144 public entity, which are listed in a project plan as costs of  
145 public works or improvements or, in the case of improvements  
146 within a Major 21st Century Manufacturing Zone, public works  
147 or improvements or private improvements, within a tax  
148 increment district, plus any costs incidental thereto,  
149 diminished by any special assessments, received or reasonably  
150 expected to be received by the public entity in connection  
151 with the implementation of the project plan. Project costs  
152 include, but are not limited to, all of the following:

153       a. Capital costs, including the costs of the  
154 acquisition, installation, or construction of public works or  
155 improvements, new buildings, facilities or improvements,  
156 structures, and fixtures, the preservation and renovation of  
157 properties of historic significance and facades of properties,  
158 the demolition, alteration, remodeling, repair, or  
159 reconstruction of existing buildings, structures, facilities,  
160 and fixtures, the improvement, maintenance, repair,  
161 renovation, and replacement of property pursuant to a project  
162 plan, the acquisition of equipment, the acquisition, clearing,  
163 and grading of land, environmental remediation of real  
164 property, and the acquisition of interests in land.

165       b. Financing costs, including all interest paid to  
166 holders of tax increment obligations during the period of  
167 implementation of the project plan, the costs of any form of  
168 credit enhancement, printing and trustee costs, and any



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169 premium paid in excess of the principal amount thereof because  
170 of the redemption of the obligations prior to maturity.

171 c. Real property assembly costs, meaning any deficit  
172 resulting from the sale or lease as lessor by the public  
173 entity of real or personal property within a tax increment  
174 district for consideration which is less than its cost to the  
175 public entity.

176 d. Professional service costs, including those costs  
177 incurred for architectural, planning, engineering, fiscal,  
178 underwriting, legal advice and services, and consulting and  
179 management services.

180 e. Imputed administrative costs, including reasonable  
181 charges for the time spent by officers and employees of the  
182 public entity in connection with the implementation of a  
183 project plan.

184 f. Relocation costs, including those relocation  
185 payments made following condemnation under Chapter 1A of Title  
186 18.

187 g. Organizational costs, including the costs of  
188 conducting environmental impact and other studies and the  
189 costs of informing the public with respect to the creation of  
190 tax increment districts and the implementation of project  
191 plans.

192 h. The amount of any contributions made in connection  
193 with the implementation of the project plan that are within  
194 limits prescribed by law.

195 i. Payments made, at the discretion of the local  
196 governing body, which are to be necessary or convenient to the



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197 creation of tax increment districts or the implementation and  
198 management of project plans.

199 j. For purposes of any tax increment district in which  
200 not less than 50 percent, by area, of the real property within  
201 the tax increment district is an enhanced use lease area, all  
202 costs described in this subdivision which are expended by a  
203 public entity or a developer within three years immediately  
204 preceding the date of the creation of the tax increment  
205 district.

206 k. For purposes of any tax increment district which  
207 includes an area that a local governing body has determined to  
208 be a Major 21st Century Manufacturing Zone, the costs incurred  
209 by a public entity to acquire land or interests in land  
210 forming all or part of such Major 21st Century Manufacturing  
211 Zone prior to the date of creation of the tax increment  
212 district; provided, prior to incurring such costs the local  
213 governing body of such public entity has recited its intent to  
214 reimburse such costs from ad valorem taxes collected within a  
215 future tax increment district.

216 (10) PROJECT PLAN. The properly approved plan by the  
217 public entity creating a tax increment district for the  
218 development, redevelopment, or revitalization of a tax  
219 increment district, including all properly approved amendments  
220 thereto.

221 (11) PUBLIC ENTITY. Any municipality or county in the  
222 state.

223 (12) TAX INCREMENT. That amount obtained by multiplying  
224 the total revenue derived from ad valorem taxes levied by all



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225 local taxing authorities on all taxable property within a tax  
226 increment district in any tax year by a fraction having a  
227 numerator equal to that tax year's market value of all taxable  
228 property in the district minus the tax increment base and a  
229 denominator equal to that tax year's equalized value of all  
230 taxable property in the district. In any tax year, a tax  
231 increment is positive if the tax increment base is less than  
232 the aggregate value of taxable property as equalized by the  
233 Department of Revenue; it is negative if the base exceeds that  
234 value.

235 (13) TAX INCREMENT BASE. The aggregate value, as  
236 equalized by the Department of Revenue, of all taxable  
237 property located within a tax increment district on the date  
238 the district is created, determined as provided in Section  
239 11-99-5.

240 (14) TAX INCREMENT DISTRICT. A contiguous geographic  
241 area within the boundaries of a public entity defined and  
242 created by resolution of the local governing body.

243 (15) TAX INCREMENT FUND. A fund into which all tax  
244 increments not retained by a taxing authority as provided by  
245 Section 11-99-10(a) are paid, and from which money is  
246 disbursed to satisfy claims of holders of tax increment  
247 obligations issued for the tax increment district.

248 (16) TAX INCREMENT OBLIGATIONS. Bonds, warrants, notes,  
249 or other evidences of indebtedness issued by a public entity  
250 to fund all or any project costs.

251 (17) TAXABLE PROPERTY. All real and personal property  
252 located in a tax increment district which is subject to ad



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253 valorem taxation on the date of adoption of the resolution  
254 creating the tax increment district.

255 (18) TAXING AUTHORITY.

256 a. For tax increment districts in which not less than  
257 50 percent, by area, of the real property within the tax  
258 increment district is a blighted or economically distressed  
259 area, the term means any municipality, county, or other taxing  
260 authority that has the power to levy taxes on property within  
261 the tax increment districts.

262 b. For tax increment districts in which not less than  
263 50 percent, by area, of the real property within the tax  
264 increment district is an enhanced use lease area, the term  
265 means the state or any municipality, county, or other taxing  
266 authority that has the power to levy taxes on property within  
267 the tax increment district.

268 c. For tax increment districts ~~in which not less than~~  
269 ~~50 percent, by area, of the real property within the tax~~  
270 ~~increment district is~~ which include an area that a local  
271 governing body has determined to be a Major 21st Century  
272 Manufacturing Zone, the term means the state or any  
273 municipality, county, or other taxing authority that has the  
274 power to levy taxes on property within the tax increment  
275 district."

276 "§11-99-4

277 (a) In order to exercise its powers under this chapter,  
278 a public entity shall take the following steps:

279 (1) The local governing body shall hold a public  
280 hearing at which all interested parties are afforded a



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281 reasonable opportunity to express their views on: (i) the  
282 concept of tax increment financing; (ii) the proposed creation  
283 of a tax increment district and its proposed boundaries; and  
284 (iii) its benefits to the public entity. Notice of the hearing  
285 shall be published in a newspaper of general circulation in  
286 either the county or in the city, as the case may be, in which  
287 the proposed tax increment district is to be located with  
288 notice to be published at least twice in the 15-day period  
289 immediately preceding the date of the hearing. Prior to  
290 publication, a copy of the notice shall be sent by first class  
291 mail to the chief executive officer of each deferred tax  
292 recipient.

293 (2)a. In addition to the notice required by subdivision  
294 (1), and either before or after the public hearing, the local  
295 governing body shall make a written submission to the  
296 governing body of each deferred tax recipient. The submission  
297 shall include a description of the proposed boundaries of the  
298 tax increment district, the tentative plans for the  
299 development, redevelopment, or revitalization of the tax  
300 increment district, and an estimate of the general impact of  
301 the proposed project plan on property values and tax revenues.

302 b. Not later than the 15th day after the date on which  
303 the notice required by subdivision (1) is mailed, each  
304 deferred tax recipient shall designate a representative  
305 empowered to meet with the local governing body to discuss the  
306 project plan and the tax increment financing and shall notify  
307 the local governing body of its designation. Failure of any  
308 deferred tax recipient to designate a representative within



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309 the 15-day period, or to notify the local governing body of  
310 its designation, shall not prevent the local governing body  
311 from proceeding hereunder. If a deferred tax recipient who has  
312 failed to so designate a representative thereafter designates  
313 a representative and notifies the local governing body of the  
314 designation, the representative shall be entitled to notice of  
315 any meetings held thereafter pursuant to this section, and  
316 shall be entitled to attend the meetings, but shall have no  
317 right to have matters discussed again which have already been  
318 discussed.

319 c. The local governing body shall call a meeting, or  
320 meetings, of the representatives of the deferred tax  
321 recipients to be held at any time after 20 days from the  
322 mailing notice referred to in subdivision (1). Each  
323 representative shall be notified of each meeting at least  
324 three days before the meeting is to be held, but notice may be  
325 waived. At the meetings, the local governing body and the  
326 representatives of the deferred tax recipients may discuss the  
327 boundaries of the tax increment district, development within  
328 the tax increment district, the exclusion of particular  
329 parcels of property from the district, and tax collection for  
330 the district. On the motion of the local governing body any  
331 other matter relevant to the proposed tax increment district  
332 may be discussed.

333 (3) The local governing body shall adopt a resolution,  
334 which need not be published, which does all of the following:

335 a. Describes the boundaries of the tax increment  
336 district with sufficient definiteness to identify with



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337 ordinary and reasonable certainty the territory included. The  
338 description shall include only those whole units of property,  
339 other than publicly owned property such as streets, easements,  
340 and rights-of-way, assessed for general property tax purposes.  
341 If the public entity is a county, the description shall  
342 include only those areas that lie outside the corporate limits  
343 of any municipality, unless the governing body of a  
344 municipality has consented to the inclusion of land within its  
345 corporate limits within a tax increment district formed by a  
346 county.

347         b. Creates the tax increment district as of a given  
348 date after the date of adoption of the resolution. The date of  
349 creation of the tax increment district may be a date  
350 subsequent to the date of expiration of the period of duration  
351 of an existing tax increment district of the public entity.

352         c. Fixes the period for the duration of the tax  
353 increment district.

354             1. The duration may be for a period not to exceed 30  
355 years from the date of creation of the tax increment district  
356 in the case of a tax increment district in which not less than  
357 50 percent, by area, of the real property within the tax  
358 increment district is a blighted or economically distressed  
359 area.

360             2. The duration may be for a period not to exceed 35  
361 years from the date of creation of the tax increment district  
362 in the case of a district in which not less than 50 percent,  
363 by area, of the real property within the tax increment  
364 district is an enhanced use lease area or which includes an



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365 area that a local governing body has determined to be a Major  
366 21st Century Manufacturing Zone, unless an amendment is made  
367 to the project plan under subdivision (7).

368 d. Assigns a name to the tax increment district for  
369 identification purposes, such as "tax increment district  
370 number one."

371 e. Contains findings, which shall not be subject to  
372 judicial review except after a showing of fraud, corruption,  
373 or undue influence, that:

374 1. (A) Not less than 50 percent, by area, of the real  
375 property within the tax increment district is: (i) In need of  
376 rehabilitation, redevelopment, revitalization, or conservation  
377 work, or (ii) an enhanced use lease area; or ~~(iii)~~ (B) the tax  
378 increment district includes an area that a local governing  
379 body has determined to be a Major 21st Century Manufacturing  
380 Zone; and

381 2. The aggregate value of equalized taxable property in  
382 the tax increment district plus all existing tax increment  
383 districts created by the public entity does not exceed 10  
384 percent of the total value of equalized taxable property  
385 within the public entity or 50 percent if the public entity is  
386 a Class 2 or Class 3 municipality. Provided, however, that  
387 equalized taxable property located within the boundaries of a  
388 military reservation, jurisdiction over which has been ceded  
389 to the United States pursuant to Section 42-3-1, shall be  
390 excluded from aggregated value.

391 (4)a. The local governmental body shall prepare and  
392 adopt a project plan for each tax increment district. The plan



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393 shall include all of the following:

394 1. A statement listing the proposed projects,  
395 including, without limitation and if applicable, the kind,  
396 number, and location of all proposed public works or  
397 improvements or, in the case of a Major 21st Century  
398 Manufacturing Zone, public works or improvements or private  
399 improvements, within the district.

400 2. A detailed list of estimated project costs.

401 3. A description of the methods of financing all  
402 estimated project costs and the time when related costs or  
403 monetary obligations are to be incurred.

404 4. A map showing existing uses and condition of real  
405 property in the district.

406 5. A map or description showing proposed improvements  
407 and uses therein.

408 6. Proposed changes of zoning, master map plan,  
409 building code, and other ordinances or resolutions affecting  
410 the district.

411 7. A list of estimated nonproject costs.

412 8. A proposed plan for the relocation of any families,  
413 individuals, and businesses to be temporarily or permanently  
414 displaced from housing or commercial facilities in the  
415 district by implementation of the plan.

416 b. For purposes of this chapter, any work or  
417 improvement for a military installation and located within an  
418 enhanced use lease area shall be deemed to be for public uses  
419 and purposes.

420 (5) The local governing body shall certify all of the



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421 following before approving the project plan:

422           a. That a feasible method exists for the relocation and  
423 compensation of any individuals, families, and businesses that  
424 will be displaced by the project in decent, safe, and sanitary  
425 accommodations within their means and without undue hardship  
426 to such individuals, families, and businesses.

427           b. That the project plan conforms to the applicable  
428 master plan of the local entity, if there is one.

429           c. That the project plan will afford maximum  
430 opportunity, consistent with the sound needs of the public  
431 entity as a whole, for the rehabilitation, redevelopment, or  
432 revitalization of the tax increment district by private  
433 enterprise.

434           (6) A copy of the project plan shall be mailed to the  
435 governing body of each deferred tax recipient, before approval  
436 of the project plan.

437           (7) The local governing body may at any time adopt an  
438 amendment to a project plan by complying with the procedures  
439 for the original adoption of a project plan.

440           (8) The public entity that created the tax increment  
441 district, and each deferred tax recipient with respect to the  
442 tax increment district, notwithstanding any provision in this  
443 chapter to the contrary, by written mutual agreement duly  
444 authorized, executed, and delivered thereby, may establish an  
445 advisory board for the tax increment district composed of the  
446 mayor or the chair of the county commission of the public  
447 entity, as appropriate, a member of the governing body of the  
448 public entity that represents the largest area in the tax



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449 increment district, and other members as the respective  
450 governing body, or its designee, of each deferred tax  
451 recipient may appoint; provided a majority of the members of  
452 an advisory board must be members of the governing body of the  
453 public entity.

454 (b) Judicial review of a decision of a public entity  
455 related to a tax increment district shall be as provided by  
456 law."

457 "§11-99-5

458 (a) The tax increment base shall be determined as  
459 provided in this section.

460 (b) Upon application in writing by the local finance  
461 officer, the tax assessor, or the officer of the county  
462 performing the duties of a tax assessor, for each county in  
463 which any part of the district is located shall determine,  
464 according to his or her best judgment from all sources  
465 available to him or her, the full aggregate value of the  
466 taxable property in the district located in that county as of  
467 the date of creation of the tax increment district. The  
468 aggregate valuation from all such tax assessors or other such  
469 public officials, upon certification to the local finance  
470 officer, shall constitute the tax increment base of the  
471 district, ~~and, provided, however,~~ if a public entity creates a  
472 district that is to succeed and continue the programs and  
473 project plans for redevelopment and revitalization of property  
474 in an existing tax increment district upon its expiration, the  
475 public entity and each deferred tax recipient with respect to  
476 the successor tax increment district, notwithstanding any



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477 provision in this chapter to the contrary, by written mutual  
478 agreement duly authorized, executed, and delivered thereby,  
479 may agree that the aggregate value of all taxable property  
480 included in both the expiring district and the successor  
481 district shall be the aggregate value of the taxable property  
482 as originally determined for the tax increment base of the  
483 expiring district as of the date of creation of the expiring  
484 district and without redetermination of the value of the  
485 taxable property as of the date of creation of the successor  
486 district or some other date.

487 (c) If the public entity that created a tax increment  
488 district in which not less than 50 percent, by area, of the  
489 real property within the tax increment district is a blighted  
490 or economically distressed area adopts an amendment to the  
491 original project plan for the tax increment district that  
492 includes additional project costs for which tax increments may  
493 be received by the public entity, the tax increment base for  
494 the district shall not be redetermined.

495 (d) If the public entity that created a tax increment  
496 district in which not less than 50 percent, by area, of the  
497 real property within the tax increment district is an enhanced  
498 use lease area or which includes an area that a local  
499 governing body has determined to be a Major 21st Century  
500 Manufacturing Zone adopts an amendment to the original project  
501 plan for the tax increment district that includes additional  
502 project costs for which tax increments may be received by the  
503 public entity or an expansion of the tax increment district,  
504 the tax increment base for the district shall not be



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505 redetermined.

506 (e) There shall be a rebuttable presumption that any  
507 property within a tax increment district, acquired or leased  
508 as lessee by the public entity or any agency or  
509 instrumentality thereof within one year immediately preceding  
510 the date of the creation of the district, was so acquired or  
511 leased in contemplation of the creation of the district. The  
512 presumption may be rebutted by the public entity with proof  
513 that the property was so leased or acquired primarily for a  
514 purpose other than to reduce the tax increment base. If the  
515 presumption is not rebutted, in determining the tax increment  
516 base of the district, but for no other purpose, the taxable  
517 status of the property shall be determined as though the lease  
518 or acquisition had not occurred.

519 (f) The local tax assessor or person performing his or  
520 her duties shall identify upon the tax records prepared by him  
521 or her under Chapter 7 of Title 40 those parcels of property  
522 which are within each existing tax increment district,  
523 specifying the name of each district. A similar notation shall  
524 also appear on the tax records made by the local finance  
525 officer.

526 (g) The Department of Revenue shall annually give  
527 notice to the designated finance officer of all taxing  
528 authorities levying taxes on property within each district as  
529 to both the assessed and equalized value of the property and  
530 the assessed and equalized value of the tax increment base.  
531 The notice shall state that the taxes collected in excess of  
532 the base will be paid to the public entity."



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533 "§11-99-6

534 (a) Positive tax increments of a tax increment district  
535 shall be allocated and paid over to the public entity that  
536 created the district for each year commencing on the October 1  
537 following the date when the district is created until the  
538 earlier of:

539 (1) That time, after: (i) The period of duration of the  
540 tax increment district, as established pursuant to this  
541 chapter, has expired; ~~and~~ and (ii) the completion of all projects  
542 and public improvements specified in, or purposes of, the  
543 project plan or amendments thereto, when the public entity has  
544 received aggregate tax increments from the district in an  
545 amount equal to the aggregate of all expenditures previously  
546 made or monetary obligations previously incurred for project  
547 costs for the district; or

548 (2) Thirty-five years after the last expenditure  
549 identified in the project plan is made. No expenditure may be  
550 provided for in the project plan to be made more than five  
551 years after the district is created, except as may be provided  
552 in an amendment to the project plan, and except in Class 3  
553 municipalities where the expenditures may be made not more  
554 than 10 years thereafter if so provided and in tax increment  
555 districts in which not less than 50 percent, by area, of the  
556 real property within the tax increment district is an enhanced  
557 use lease area where the expenditures may be made not more  
558 than 15 years thereafter if so provided, unless an amendment  
559 is adopted by the local governing body under ~~subdivision (7)~~  
560 ~~of~~ Section 11-99-4(7).



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561 (b) Notwithstanding any other provision of law, every  
562 officer charged by law to collect and pay over or retain local  
563 general property taxes in the case of a tax increment district  
564 in which not less than 50 percent, by area, of the real  
565 property within the tax increment district is a blighted or  
566 economically distressed area, or state and local general  
567 property taxes in the case of a tax increment district in  
568 which not less than 50 percent, by area, of the real property  
569 within the tax increment district is an enhanced use lease  
570 area or which includes an area that a local governing body has  
571 determined to be a Major 21st Century Manufacturing Zone,  
572 shall first, on the next settlement date provided by law, pay  
573 over to the local finance officer out of all the taxes that  
574 have been collected, that portion that represents a tax  
575 increment allocable to a tax increment district, identifying  
576 the amount for each district.

577 (c) All tax increments received for a tax increment  
578 district, upon receipt by the local finance officer, shall be  
579 deposited into the tax increment fund for that district. The  
580 local finance officer may deposit additional monies into the  
581 fund pursuant to an appropriation by the local governing body.  
582 Monies shall be paid out of the fund only for direct payment  
583 of, or to reimburse the public entity for payments theretofore  
584 made by it for principal of or interest on tax increment  
585 obligations for that district if the obligations are general  
586 obligations of the public entity, or to satisfy claims of  
587 holders of tax increment obligations issued for that district,  
588 or for direct payment of, or to reimburse the public entity



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589 for payments theretofore made by the public entity that are  
590 used to pay project costs. Subject to any agreement with  
591 security holders, monies in the fund may be temporarily  
592 invested in the same manner as other surplus funds of the  
593 public entity. After the principal of and interest on all tax  
594 increment obligations of the district have been paid or  
595 provided for, subject to any agreement with security holders,  
596 if there remains in the fund any monies, they shall be paid  
597 over to the chief finance officer of the state, each county,  
598 each municipality, each school district, and to the general  
599 fund of the public entity in amounts as are due to each  
600 respectively, having due regard for what portion of these  
601 monies, if any, represents tax increments not allocated to the  
602 public entity and what portion thereof, if any, represents  
603 voluntary deposits of the public entity into the fund."

604 Section 2. This act shall become effective immediately.

